

HB 2002 -2 STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

Prepared By: Cassandra Soucy, LPRO Analyst

Meeting Dates: 2/14, 4/11

WHAT THE MEASURE DOES:

Specifies procedural requirements for property owners participating in federal housing programs with expiring contracts including notification two years prior to contract expiration and payment of replacement or relocation fees for tenants. Establishes civil penalty for violations of provisions. Requires property owners of publicly supported housing to offer Oregon Housing and Community Services (OHCS) the opportunity to purchase property before third parties. Establishes procedures and time frames for property owners to give OHCS written notice and for OHCS to respond. Allows individual action to recover damages for loss of money or property caused by property owner failing to give notice or comply with expiring publicly supported housing contract procedural requirements. Clarifies and defines terms including publicly supported housing. Applies to participating publicly supported housing properties on or after the effective date.

ISSUES DISCUSSED:

- Preservation of publicly supported housing
- Number of publicly supported units with expiring contracts in Oregon
- Differences between right of opportunity to purchase and right of first refusal

EFFECT OF AMENDMENT:

-2 Replaces the bill.

Defines publicly supported housing as a multifamily rental housing development of five or more units receiving or benefiting from government assistance. Requires the owner of a participating publicly supported property (participating property) with an expiring or terminating contract to provide notice to local government and the Housing and Community Services Department two years before the contract expires or terminates or the property is withdrawn from publicly supported housing. Requires property owner to extend affordability restrictions on participating property by the number of months in noncompliance with notice requirements. Allows local government to request a local subsidy program be included within the definition of publicly supported housing. Allows OHCS and local government to require payment of tenant relocation fees from owner of participating property. Allows individuals to bring action to recover damages as a result of property owner failing to provide notice.

Requires property owner to provide notice by mail with return receipt to OHCS and local government of the opportunity to offer to purchase participating property thirteen months before withdrawal from publicly supported housing. Specifies procedures and requirements for OHCS or local government to purchase participating property. Requires property owner to provide right of first refusal to OHCS and local government when accepting a third party's offer to purchase participating property. Specifies procedures and requirements for exercising right of first refusal.

Requires OHCS to maintain data on publicly supported housing. Effective on 91st following sine die.

BACKGROUND:

This Summary has not been adopted or officially endorsed by action of the committee.

HB 2002 -2 STAFF MEASURE SUMMARY

Under current Oregon law (ORS 456.260), property owners participating in federal housing programs are required to provide notice of an expiring contract with the United States Department of Housing and Urban Development one year prior to the expiration date. This notice must be given to each local government that has requested notice and each affected tenant. Oregon law (ORS 456.265) further specifics local governments may not require property owners to pay any replacement or relocation fees for tenants.

House Bill 2002 specifics procedural requirements for property owners participating in federal housing programs with expiring contracts. These requirements include providing notification to the government and affected tenants two years prior to expiration and payment of fees related to replacement or relocation for tenants. The bill allows Oregon Housing and Community Services (OHCS) to impose civil penalties up to \$10,000 and requires adopting of rules for violations of the procedural provisions. HB 2002 requires property owners of publicly supported housing to offer OHCS or the local government the opportunity to purchase the property prior to a third party. The property owner has no obligation to sell the property to OHCS or the local government. OHCS or the local government is required to respond to the offer within 90 days or the offer expires. Additionally, HB 2002 allows individual action to recover damages for loss of money or property caused by property owner failing to give notice or comply with the procedural requirement for an expiring publicly supported housing contract. The bill applies to participating publicly supporting housing properties on or after the effective date.